

**DECLARATION OF
RYAN THOMAS**

DECLARATION OF RYAN THOMAS

PURSUANT TO 28 U.S.C. § 1746

I, Ryan Thomas, hereby state that I have personal knowledge of the facts as set forth below. If called as a witness, I could and would testify as follows:

1. I am a citizen of the United States and am over eighteen (18) years of age. I am an employee of the Consumer Financial Protection Bureau (Bureau). I am an investigator working in the Office of Enforcement within the Bureau in Washington, D.C. As an employee with the Bureau, my current duties include conducting financial and data analysis for investigations. I have been an employee of the Bureau since December 3, 2012. My mailing address is 1700 G Street NW, Washington, D.C. 20552.

2. I have been a Certified Public Accountant (CPA) since 2004. I am a member of the American Institute of Certified Public Accountants (AICPA) and currently licensed as a CPA in Maryland. I have been a Certified Fraud Examiner (CFE) since 2004. I am a member of the Association of Certified Fraud Examiners (ACFE), the organization that issues the CFE designation.

3. I was assigned to work on the Bureau's investigation of Corinthian Colleges Inc. ("Corinthian").

4. During the course of my investigation, I reviewed records related to private loans Corinthian issued to former students.

5. Genesis Lending Services, Inc. ("Genesis") serviced the private loans at issue in this case throughout the relevant period of July 21, 2011 until in or about June 2015.

6. The Bureau requested that Genesis provide individual loan information for each private student loan Corinthian issued between July 2011 and September 2014, when Corinthian terminated its private lending program.

The notes at issue were held by Company B (“Company B Borrowers”), Company C (“Company C Borrowers”), or Corinthian (“Corinthian Borrowers”).

7. In response to the Bureau’s request, Genesis provided loan information for 128,984 loans funded between July 21, 2011 and September 2014 that were issued to 115,111 borrowers. Genesis provided a spreadsheet for each of the three holders of private loans: Company B, Company C, and Corinthian.¹

8. A true and accurate copy of the spreadsheet Genesis provided containing Company B loans, named AFG_CFPB_PAID-2015-06.xlsx, is attached hereto as **Exhibit A**. (Because of the confidential nature of the information contained in the Exhibit, the borrower’s personal identifiable information has been redacted.)

9. A true and accurate copy of the spreadsheet Genesis provided containing Company C loans, named GSS_CFPB_PAID-2015-05_20150602.xlsx, is attached hereto as **Exhibit B**. (Because of the confidential nature of the information contained in the Exhibit, the borrower’s personal identifiable information has been redacted.)

10. A true and accurate copy of the spreadsheet Genesis provided containing Corinthian loans, named CCI_CFPB_PAID_20150930.xlsx, is attached hereto as **Exhibit C**. (Because of the confidential information contained in the Exhibit, the borrower’s personal identifiable information has been redacted.)

¹ The notes held by Company B are private student loans that Company B purchased from a bank, and Corinthian paid Company B a “discount fee” equal to 50% of the face value of each loan purchased. Compl. ¶ 97. These notes also include private student loans that Corinthian was obligated to purchase from Company B, but did not. Compl. ¶ 98. The notes held by Company C include private student loans that a wholly owned subsidiary of Company C purchased from Corinthian for approximately \$19 million on August 20, 2014. Compl. ¶ 20. Corinthian’s loan portfolio includes private student loans that Corinthian purchased shortly after origination or from Company B. Compl. ¶¶ 93 and 98.

11. Company B loan data are current as of June 30, 2015, the most recent date for which Genesis has records.

12. Company C loan data are current as of May 31, 2015, the most recent date for which Genesis has records.

13. The Corinthian loan data are current as of September 30, 2015, the most recent date for which Genesis has records.

14. In February 2015, as part of Corinthian's sale of certain schools to ECMC Group, Inc. and Zenith Education Group, Inc., borrowers in Company C and Corinthian portfolios received debt relief that I accounted for in my damages calculation. As part of the transaction, Corinthian Borrowers received a discharge of all outstanding debt obligations. For these Corinthian Borrowers, damages are limited to the monies borrowers actually paid. Company C Borrowers received forgiveness of 40% of their original principal balance.

15. To calculate damages for Company B and Company C Borrowers, I summed original principal balance less the loan forgiveness received by Company C Borrowers, fees paid or owed, and interest paid or owed.

16. For the Company B Borrowers and Company C Borrowers, I calculated the following original loan principal balance by summing the columns labeled "OriginalLoanAmount" for the respective spreadsheets, less a 40% principal reduction for Company C Borrowers:

Company B Borrowers:	\$229,435,528
Company C Borrowers:	\$321,928,242
<u>Company C Borrowers 40% reduction:</u>	<u>\$(128,771,297)</u>
TOTAL	\$422,592,473

17. For Company B Borrowers and Company C Borrowers, I calculated the following total interest incurred to date, by summing the columns labeled "UnpaidInterest" and "InterestPaid":

Company B Borrowers:	\$35,868,633
<u>Company C Borrowers:</u>	<u>\$29,307,092</u>
TOTAL	\$65,175,725

18. For the Company B Borrowers and Company C Borrowers, I calculated the following total fees incurred by summing the columns labeled “OriginationFee,” “UnpaidLateFees,” and “FeesPaid”:

Company B Borrowers:	\$13,657,773
<u>Company C Borrowers:</u>	<u>\$26,770,872</u>
TOTAL	\$40,428,645

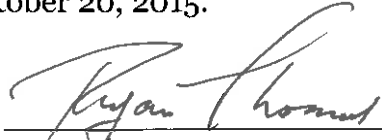
19. As noted, the data are current through June 30, 2015 for Company B loans and through May 31, 2015 for Company C loans. However, interest has accrued and continues to accrue through the present day on these loans. Because we do not have the data to support the precise amount of such interest and any potential fees that have been charged during this time, such amounts are not included in my total.

20. To determine damages for Corinthian Borrowers, I summed the principal paid, interest paid, and fees paid.

21. For Corinthian Borrowers, I summed the “PrincipalPaid” column to calculate the amount of principal Corinthian borrowers paid; summed the “FeesPaid” column to calculate the amount of fees Corinthian borrowers paid; and summed the “InterestPaid” column to calculate the amount of interest Corinthian borrowers paid. I added these sums together to arrive at a damages calculation of \$3,027,424.

22. The total sum of damages for Company B Borrowers, Company C Borrowers, and Corinthian Borrowers equals \$531,224,267. The damages calculation is set forth in **Exhibit D**, which is attached.

I declare under penalty of perjury that the foregoing is true and correct. Executed
October 20, 2015.



Ryan Thomas